

# NOTICE OF CHANGE IN PROPOSED RULE

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

## Agency Information

1. Agency: Insurance - Title and Escrow Commission  
 Room no.: 3110  
 Building: STATE OFFICE BLDG  
 Street address 1: 450 N MAIN ST  
 Street address 2:  
 City, state, zip: SALT LAKE CITY UT 84114-1201  
 Mailing address 1: PO BOX 146901  
 Mailing address 2:  
 City, state, zip: SALT LAKE CITY UT 84114-6901

## Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

## Rule Information

DAR file no: 34510 Date filed: 06/15/2011 04:21 PM  
 State Admin Rule Filing Key: 151209  
 Utah Admin. Code ref. (R no.): R 592 - 6 - 4  
 Changed to Admin. Code ref. (R no.): - -

## Title

2. Title of rule or section (catchline):  
 Unfair Methods of Competition, Acts and Practices.

## Notice Type

3. Type of notice: Change in Proposed Rule  
 Changes original proposed rule file no.:34510

## Rule Purpose

4. Purpose of the rule or reason for the change:  
 The purpose of the rule changes are to clarify provisions of Section 4 that identify unfair methods of competition or acts. The Title and Escrow Commission have proposed changes and discussed them in their monthly meetings with members of the public present and providing input. These meetings are open to the public and agendas and minutes are posted on the department's website.

## Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.  
 No

## Rule Summary

## 6. Summary of the rule or change:

The changes to Section 4 include: changes to Subsection 9 clarifying that a title insurer cannot furnish a room to a client or trade association except to allow them to provide escrow or title services or meetings related to such; Subsection 14 notes that pre-payments do not include those for overnight delivery/mail fees; and Subsection 21 clarifies when loan and financing can and cannot be offered by a title licensee.

## Aggregate Cost Information

## 7. Aggregate anticipated cost or savings to:

## A) State budget:

Affected: No

The changes to this rule will have no impact on the work of the department or the revenue coming into it or the state. The changes simply clarify unfair methods of competition, acts and practices already in the rule.

## B) Local government:

Affected: No

Local governments will not be affected by this rule. The rule continues to disallow anyone affiliated with the title and escrow transaction from also providing a loan for anyone involved in that transaction, and clarifies transactions in which a loan may be provided.

## C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

Most title agencies that this rule regulates are small businesses. The three subsections amended restrict spending by the title agency to influence the building, real estate and mortgage lending entities from bringing their business to them. Subsection 14 restricts the fees that can be collected from the consumer and allows recovery of other expenses. Subsection 21 specifically prohibits inducements through loans.

## D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

These rule changes should have no fiscal impact on title customers. The changes are directed at the relationship between title agencies and agents and the way they obtain insurance from builders, real estate agents and mortgage lenders.

## Compliance Cost Information

## 8. Compliance costs for affected persons:

The three subsections that have been amended restrict spending by the title agency to influence the real estate and mortgage lending industries to bring business to them.

## Department Head Comments

## 9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

Agencies should save money currently being spent attracting business from builders, real estate and mortgage lenders. They should put everyone on the same playing field and require competition in services provided by title agencies.

## B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Insurance Commissioner

## Citation Information

## 10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :  
31A-2-404

## Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

<p>Official Title of Materials Incorporated (from title page):</p> <p>Publisher:</p> <p>Date Issued:</p> <p>Issue, or version:</p> <p>ISBN Number:</p> <p>ISSN Number:</p> <p>Cost of Incorporated Reference:</p> <p>Adds, updates, removes:</p>
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## Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

08/01/2011

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

## Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

08/08/2011

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

## Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- title insurance

## File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

## To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

## Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information  
Specialist

Date (mm/dd/yyyy): 06/15/2011